

ORIGINAL
ORIGINAL



0000034751

RECEIVED

SALT RIVER PROJECT

P. O. Box 52025
Phoenix, AZ 85072-2025
(602) 236-5262
Fax (602) 236-3458
kjbarr@srpnet.com

2005 OCT 31 P 4: 23

AZ CORP COMMISSION
DOCUMENT CONTROL

KELLY J. BARR, ESQ.

Manager, Regulatory Affairs & Contracts

October 31, 2005

Chairman Jeff Hatch-Miller
Commissioner William A. Mundell
Commissioner Marc Spitzer
Commissioner Mike Gleason
Commissioner Kristin K. Mayes
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Re: Docket No. L-00000B-00-0105, Decision No. 63611

Dear Commissioners:

Enclosed please find SRP's sixteenth quarterly report on the status of the Santan project. This report provides up-to-date information and documentation on the status of SRP's efforts to comply with each condition contained in the Certificate of Environmental Compatibility (CEC).

As always, please feel free to contact me if you have any additional questions or concerns.

Sincerely,

Kelly J. Barr

Enc.

cc: Lyn Farmer, Chief Administrative Law Judge (via Docket Control distribution)
Ernest Johnson, Utilities Director (via Docket Control distribution)
Brian Bozzo, Compliance and Enforcement Mgr. (via Docket Control distribution)
Chris Kempley, Legal Director (via Docket Control distribution)
Brian McNeil, Executive Secretary
Docket Control – original plus 25 copies

Richard H. Silverman, General Manager
Richard M. Hayslip, Manager, Environmental, Land, Risk Management & Telecom

QUARTELY UPDATE

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

Case No. 105

Docket No. L-00000B-00-0105

Decision No. _____

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

The following members or designees of members of the Committee were present for the hearing on the Application:

23
24
25

1	Richard Tobin	Designee for the Arizona Department of Environmental Quality
2		
3	Dennis Sundie	Designee for the Director of the Department of Water Resources
4		
5	Mark McWhirter	Designee for the Director of the Energy Office of the Arizona Department of Commerce
6		
7	George Campbell	Appointed Member
8	Jeff Mcguire	Appointed Member
9	A. Wayne Smith	Appointed Member
10	Sandie Smith	Appointed Member
11	Mike Whalen	Appointed Member

12 The Applicant was represented by Kenneth C. Sundlof, Jr., Jennings, Strouss &
13 Salmon PLC. There were seventeen intervenors: Arizona Utilities Investor Association,
14 by Ray Heyman; Arizona Corporation Commission Staff, by Janice Alward; Arizona
15 Center for Law in the Public Interest, by Timothy Hogan, Mark Kwiat, Elisa Warner,
16 David Lundgreen, Cathy LaTona, Sarretta Parrault, Mark Sequeira, Cathy Lopez,
17 Michael Apergis, Marshal Green, Charlie Henson, Jennifer Duffany, Christopher
18 Labban, Bruce Jones and Dale Borger. There were a number of limited appearances.

19 The Arizona Corporation Commission has considered the grant by the Power
20 Plant and Line Siting Committee of a Certificate of Environmental Compatibility to SRP
21 and finds that the provisions of A.R.S. §40-360.06 have complied with, and, in addition,
22 that documentary evidence was presented regarding the need for the Santan Expansion
23 Project. Credible testimony was presented concerning the local generation deficiency in
24 Arizona and the need to locate additional generation within the East Valley in order to
25 minimize transmission constraints and ensure reliability of the transmission grid. The
evidence included a study that assessed the needs of the East Valley. The analysis

1 found that the East Valley peak load currently exceeds the East Valley import capability
2 and within the next 5 years the East Valley load will exceed the load serving capability.

3 Additional testimony was presented regarding SRP's projected annual 3.7% load
4 growth in its service territory. By 2008, SRP will need approximately 2700 MW to meet
5 its load. This local generation plant will have power available during peak periods for
6 use by SRP customers.

7 At the conclusion of the hearing and deliberations, the Committee, having
8 received and considered the Application, the appearance of Applicant and all
9 intervenors, the evidence, testimony and exhibits presented by Applicant and all
10 intervenors, the comments made by persons making limited appearances and the
11 comments of the public, and being advised of the legal requirements of Arizona Revised
12 Statutes Sections 40-360 to 40-360.13, upon motion duly made and seconded, voted to
13 grant Applicant the following Certificate of Environmental Compatibility (Case No. L-
14 00000B-00-0105):

15 Applicant and its assignees are granted a Certificate of Environmental
16 Compatibility authorizing the construction of an 825 megawatt generating facility
17 consisting of three combined cycle units with a total net output of 825 megawatts
18 together with related infrastructure and appurtenances, in the Town of Gilbert, on
19 Applicant's existing Santan Generating Station site, and related switchyard and
20 transmission connections, as more specifically described in the Application (collectively,
21 the "Project"). Applicant is granted flexibility to construct the units in phases, with
22 different steam turbine configurations, and with different transmission connection
23 configurations, so long as the construction meets the general parameters set forth in the
24 application.
25

1 This certificate is granted upon the following conditions:

- 2 1. Applicant shall comply with all existing applicable air and water pollution
3 control standards and regulations, and with all existing applicable
4 ordinances, master plans and regulations of the State of Arizona, the
5 Town of Gilbert, the County of Maricopa, the United States, and any other
6 governmental entities having jurisdiction.

7 **Status ~ SRP and RWCD have finalized the Water Discharge Operating**
8 **Agreement with an effective date of August 23, 2005. The Operating**
9 **Agreement is necessary so that SRP access to the RWCD outfall can be**
10 **utilized for sampling and monitoring as stipulated in the APP permit.**
11 **The RWCD outfall is where the water discharges from the SRP pipeline**
12 **into the RWCD canal.**

13 **SRP has completed all the permitting requirements for this project and**
14 **is in compliance with all ordinances, master plans and regulations of all**
15 **applicable governmental jurisdictions.**

- 16 2. This authorization to construct the Project will expire five (5) years from
17 the date the Certificate is approved by the Arizona Corporation
18 Commission unless construction of the Project is completed to the point
19 that the project is capable of operating at its rated capacity; provided,
20 however, that Applicant shall have the right to apply to the Arizona
21 Corporation Commission for an extension of this time limitation.

22 **Status ~ Unit 5 (the 2-on-1 units) began commercial operation on April**
23 **1, 2005. Unit 6 remains on schedule for commercial operation by April**
24 **30, 2006.**

25 **The week of September 19, 2005, Santan Expansion Project (SEP)**
26 **Newsletter #15, the final edition of the Santan community information**
27 **mailings, was mailed to SRP customers residing in the ½ mile radius of**
28 **the plant site. The newsletter relays information about start-up activity**
29 **for Unit #6, achieving commercial operation in the spring and features**
30 **an article on the value of Units 5A and B during this summer's repairs at**
31 **West Wing. The newsletter directs customers to the SEP website for**
32 **future updates. A copy of the newsletter is included as Appendix A.**

- 33 3. Applicant's project has two (2) approved transmission lines emanating
34 from its power plant's transmission switchyard and interconnecting with
35 the existing transmission system. This plant interconnection must satisfy
36 the single contingency criteria (N-1) without reliance on remedial action
37 such as a generator unit tripping or load shedding.

38 **Status ~ SRP has completed the activity required by this condition.**

- 39 4. Applicant shall use reasonable efforts to remain a member of WSCC, or
40 its successor, and shall file a copy of its WSCC Reliability Criteria

1 Agreement or Reliability Management System (RMS) Generator
2 Agreement with the Commission.

3 ***Status ~ SRP is currently a member of the WECC, the successor to the***
4 ***WSCC, and plans to continue its membership with the WECC.***

- 5 5. Applicant shall use reasonable efforts to remain a member of the
6 Southwest Reserve Sharing Group, or its successor.

7 ***Status ~ SRP is currently a member of the Southwest Reserve Sharing***
8 ***Group and plans to continue its membership.***

- 9 6. Applicant shall meet all applicable requirements for groundwater set forth
10 in the Third Management Plan for the Phoenix Active Management Area.

11 ***Status ~ SRP is in compliance with all requirements for groundwater, as***
12 ***set forth in the Third Management Plan for the Phoenix Active***
13 ***Management Area.***

- 14 7. With respect to landscaping and screening measures, including the
15 improvements listed in the IGA, Applicant agrees to develop and
16 implement a public process consistent with the process chart (Exhibit 89)
17 presented during the hearings, modifying the dates in the IGA with the
18 Town of Gilbert, if necessary, to correspond with the schedule in Exhibit
19 89.

20 The new Community Working Group (CWG) will consist of 12 members,
21 selected as follows: one member selected by the Town of Gilbert, four
22 members selected by neighborhood homeowner associations, four
23 representatives selected by intervenors, and three members selected by
24 SRP (not part of the aforementioned groups) who were part of the original
25 community working group. Applicant and landscaping consultants shall
act as advisors to the CWG. CWG meetings shall be noticed to and be
open to the general public. The initial meeting shall take place on an
evening or weekend in the Town of Gilbert.

The objective of the CWG shall be to refine the landscaping and mitigation
concept plans submitted during these hearings (Exhibit 88). The CWG shall
work to achieve appropriate visual mitigation of plant facilities and to
facilitate the design and installation of the concept plan components so as to
maximize the positive impact on the community and to increase, wherever
possible, the values of the homes in the neighboring areas. The refinement
of the mitigation plans shall be reasonably consistent with the planning
criteria of the Town of Gilbert, the desires of neighboring homeowner
associations, and the reasonable needs of Applicant.

Applicant shall retain an independent facilitator, acceptable to the CWG, to

1 conduct the CWG meetings. It shall be the role of the facilitator to assist in
2 initial education and in conducting an orderly and productive process. The
3 facilitator may, if necessary, employ dispute resolution mechanisms.

4 The CWG shall also assist in establishing reasonable maintenance
5 schedules for landscaping of Applicant's plant site in public-view areas.

6 Applicant will develop with the Town of Gilbert a continuous fund, to be
7 administered by the Town of Gilbert, to provide for the construction and
8 maintenance of off-site landscaping in the areas depicted in the off-site
9 landscaping concepts as developed by the CWG in an amount sufficient to
10 fund the concepts in Exhibit 88 or concepts developed by the CWG,
11 whichever is greater.

12 **Status ~**

13 **Onsite Landscaping Program ~**

14 ***SRP has completed nearly all of the landscaping at the site. The only
15 work not completed involves the northeast area and the southeast
16 corner of the project site that must be left available for construction
17 access or installation of underground utilities associated with the plant
18 construction. Landscaping work in the northeast and southeast areas
19 will be completed following the completion of Unit 6 construction.***

20 ***The "Trails Area" (equestrian and bike trail) to the east of the power
21 plant is complete. On September 13, 2005, SRP officially transferred
22 ownership of the Trails Area to the Town of Gilbert.***

23 **Home Owners' Association (HOA) Offsite Landscaping Program ~**

24 ***SRP has completed the initial funding for this program, providing a one-
25 time payment to eighteen (18) HOAs in the area for use in providing
additional landscaping to help mitigate views of the power plant.***

***Under the program, SRP committed to making future annual payments
of \$49,884 to the HOAs for offsite landscaping maintenance for a period
of twenty (20) years, beginning in September 2004. In August 2005, SRP
submitted a check for its second annual maintenance payment of
\$49,884 to the Town of Gilbert for disbursement to the 18 HOAs. The
Town of Gilbert mailed out individual checks to the 18 HOAs on
September 13, 2005. Copies of the letters mailed to each of the HOAs
by the Town of Gilbert are included in Appendix B.***

Individual County Landscaping Program ~

SRP has completed this program.

8. The visual mitigation efforts shall be in general compliance with the plans and concepts presented in these proceedings and constitute a commitment level by Applicant. Applicant will not reduce the overall level of mitigation as set forth in its Application and this proceeding, except as may be reasonably changed during the CWG process. The Town of Gilbert shall approve the

plans agreed to by the CWG.

Status ~ SRP has satisfied the visual mitigation requirements as initially set forth in the Application and the proceeding and further refined and expanded during the CWG process. SRP's mitigation efforts also include the items specified in the SRP/Town of Gilbert Intergovernmental Agreement.

9. Applicant shall, where reasonable to do so, plant on site trees by the fall of 2001. Because planting of trees must await the improvement of Warner Road and the design and construction of berms, this condition will largely apply to trees on the East side of the site, and some of the trees on the North side. All landscaping will be installed prior to the installation of major plant equipment such as, but not limited to, exhaust stacks, combustion turbines, and heat recovery steam generators, except where delays are reasonably necessary to facilitate construction activities.

Status ~ As noted in condition 7, nearly all of the landscaping work at the site has been completed. Following the completion of Unit 6 construction, SRP will complete the landscaping work in the northeast area and the southeast corner of the project site.

10. Applicant shall operate the Project so that during normal operations the Project shall not exceed the most restrictive of applicable (i) HUD residential noise guidelines, (ii) EPA residential noise guidelines, or (iii) applicable City of Tempe standards. Additionally, construction and operation of the facility shall comply with OSHA worker safety noise standards. Applicant agrees that it will use its best efforts to avoid during nighttime hours construction activities that generate significant noise. Additionally, Applicant agrees to comply with the standards set forth in the Gilbert Construction Noise Ordinance, Ordinance No. 1245, during construction of the project. In no case shall the operational noise level be more than 3 db above background noise as of the noise study prepared for this application. The Applicant shall also, to the extent reasonably practicable, refrain from venting between the hours of 10:00 p.m. and 7:00 a.m.

Status ~ SRP remains in compliance with all applicable noise guidelines and standards. Throughout construction of the project, SRP has taken noise readings at various locations along the plant boundary three times per week to ensure compliance with noise guidelines and standards. Additional noise testing is conducted during nighttime construction activities, such as concrete pours. This process will continue until the commercial operation of Unit 6.

Unit 5 began commercial operation on April 1, 2005 and plant personnel are conducting additional off-site noise testing at the three sites designated by the Santan Neighborhood Committee (SNC) on the north, east and south sides of the plant boundaries. The SNC committee is

1 **responsible for establishing the locations, timing and frequency of the**
2 **off-site noise tests. For more information on the SNC, please refer to**
3 **condition 19.**

- 4 11. Applicant will work with the Gilbert Unified School District to assist it in
5 converting as many as possible of its school bus fleet to green diesel or
6 other alternative fuel, as may be feasible and determined by Gilbert Unified
7 School District, and will contribute a minimum of \$330,000 to this effort.

8 **Status ~ SRP has completed the activity required by this condition.**

- 9 12. Applicant shall actively work with all interested Valley cities, including at a
10 minimum, Tempe, Mesa, Chandler, Queen Creek and Gilbert, to fund a
11 Major Investment Study through the Regional Public Transit Authority to
12 develop concepts and plans for commuter rail systems to serve the growing
13 population of the East Valley. Applicant will contribute a maximum of
14 \$400,000 to this effort.

15 **Status ~ Phase 2 of the Gilbert Transportation Study (the Gilbert Bicycle**
16 **& Pedestrian Plan) is 98% complete. The Gilbert Transportation Study**
17 **was developed to integrate with the Maricopa Association of**
18 **Government's (MAG) Transit Study. Final comments from the Technical**
19 **Advisory Committee (TAC) on the report have been incorporated in the**
20 **Plan. The final Plan and Development Guidelines documents have been**
21 **submitted to the Town of Gilbert. Town staff is working to schedule a**
22 **final presentation to the Town Council.**

- 23 13. Within six months of approval of this Order by the Arizona Corporation
24 Commission, Applicant shall either relocate the gas metering facilities to the
25 interior of the plant site or construct a solid wall between the gas metering
26 facilities at the plant site and Warner Road. The wall shall be of such
27 strength and size as to deflect vehicular traffic (including a fully loaded
28 concrete truck) that may veer from Warner Road to the gas-metering site.

29 **Status ~ SRP has completed the activity required by this condition.**

- 30 14. Applicant will use only SRP surface water, CAP water or effluent water for
31 cooling and power plant purposes. The water use for the plant will be
32 consistent with the water plan submitted in this proceeding and acceptable
33 to the Department of Water Resources. Applicant will work with the Town of
34 Gilbert to attempt to use available effluent water, where reasonably feasible.

35 **Status ~ To date, SRP has delivered a total of 58,935 acre feet of CAP**
36 **water to GRUSP for future use via recovery from any SRP owned wells**
37 **(Association or District) and delivered to SEP from the Eastern Canal**
38 **(or onsite District wells). SRP continues to be ahead of its storage**
39 **schedule and projects that SRP will continue to store CAP water in**
40 **GRUSP through 2011 for recovery and use. In addition, since Unit 5**
41 **began commercial operation, SRP has used Salt/Verde spillwater and**

1 **2,925 acre feet of CAP water via delivery through the Eastern Canal to**
2 **meet ongoing plant operation water needs.**

- 3 15. Applicant agrees to comply with all applicable federal, state and local
4 regulations relative to storage and transportation of chemicals used at the
5 plant.

6 **Status ~ SRP is in compliance with all applicable federal, state and local**
7 **regulations relative to storage and transportation of chemicals used at**
8 **the plant.**

- 9 16. Applicant agrees to maintain on file with the Town of Gilbert safety and
10 emergency plans relative to emergency conditions that may arise at the
11 plant site. On at least an annual basis Applicant shall review and update, if
12 necessary, the emergency plans. Copies of these plans will be made
13 available to the public and on Applicant's web site. Additionally Applicant
14 will cooperate with the Town of Gilbert to develop an emergency notification
15 plan and to provide information to community residents relative to potential
16 emergency situations arising from the plant or related facilities. Applicant
17 agrees to work with the Gilbert police and fire departments to jointly develop
18 on site and off-site evacuation plans, as may be reasonably appropriate.
19 This cooperative work and plan shall be completed prior to operation of the
20 plant expansion.

21 **Status ~ SRP does and will continue to comply with all safety standards**
22 **including secondary containment for bulk materials (chemicals) and**
23 **development of evacuation procedures for plant personnel. A detailed**
24 **copy of the response plan is available at the Town of Gilbert Fire**
25 **Department as well as with the State Emergency Response Commission**
 (SERC) and the Maricopa County Local Emergency Planning Committee
 (LEPC).

17. In obtaining air offsets required by EPA and Maricopa County, Applicant will
 use its best efforts to obtain these offsets as close as practicable to the plant
 site.

Status ~ SRP acquired emission reduction credits from the Phoenician
 and Oak Canyon Manufacturing sufficient to satisfy the 72 ton VOC
 offset requirement contained in the Santan air quality permit. In
 addition, SRP, in cooperation with the Maricopa County Department of
 Transportation, has obtained sufficient PM10 offsets for Unit 5 by
 paving roads in the east valley, starting with roads closest to the plant
 site.

Recently, it has been brought to SRP's attention that the Maricopa
 County Department of Transportation may not be able to complete all of
 the road paving necessary to meet SRP's PM10 air offset requirements
 for Unit 6 prior to the unit becoming operational. It is estimated that
 SRP may be 2.5 tons short of the required offsets. SRP Environmental

1 **Services Department, in coordination with the Maricopa County Air**
2 **Quality Division and Maricopa County Department of Transportation,**
3 **are considering several options to resolve this issue.**

- 4 18. In order to reduce the possibility of generation shortages and the attendant
5 price volatility that California is now experiencing, SRP will operate the
6 facilities consistent with its obligation to serve its retail load and to maintain a
7 reliable transmission system within Arizona.

8 **Status ~ SRP's first priority in operating its generating stations,**
9 **transmission system and distribution system is to safely supply a**
10 **reliable, low cost source of power to its retail customers. The Santan**
11 **Expansion Project will be operated in the same manner as current**
12 **resources and is a significant element in SRP's plans to avoid the kind**
13 **of price volatility that accompanied the California crisis.**

- 14 19. Beginning upon operation of the new units, Applicant will establish a citizens'
15 committee, elected by the CWG, to monitor air and noise compliance and
16 water quality reporting. Applicant will establish on-site air and noise
17 monitoring facilities to facilitate the process. Additionally Applicant shall
18 work with Maricopa County and the Arizona Department of Environmental
19 Quality to enhance monitoring in the vicinity of the plant site in a manner
20 acceptable to Maricopa County and the Arizona Department of
21 Environmental Quality. Results of air monitoring will be made reasonably
22 available to the public and to the citizens' committee. Applicant shall provide
23 on and off-site noise monitoring services (at least on a quarterly basis),
24 testing those locations suggested by the citizens' committee. The off-site air
25 monitoring plan shall be funded by the Applicant and be implemented before
 operation of the plant expansion.

Status ~ The Santan Neighborhood Committee (SNC) held another
 meeting on October 19, 2005.

At the October meeting, Santan personnel provided additional monthly
 data on emissions, water discharge and off-site noise readings taken
 since the last meeting. The group also discussed Unit 6 start-up
 activities.

20. Applicant will explore, and deploy where reasonably practicable, the use of
 available technologies to reduce the size of the steam plumes from the unit
 cooling towers. This will be a continuing obligation throughout the life of the
 plant.

Status ~ SRP explored the option of reduced plume cooling towers via
 the specification and bidding process for this equipment but found the
 limited availability, prohibitive cost and additional height requirements
 of the plume abatement technology to supersede the potential benefits
 at this time. SRP will continue to monitor cooling tower technology.

- 1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
21. SRP will, where practicable, work with El Paso Natural Gas Company to use the railroad easements for the installation of the new El Paso gas line.

Status ~ SRP continues to review proposals to sell the SEP lateral to a third party.

22. Other than the Santan/RS 18 lines currently under construction, Applicant shall not construct additional Extra High Voltage transmission lines (115kV and above) into or out of the Santan site, including the substation on the site.

Status ~ SRP will not construct additional Extra High Voltage transmission lines (no new circuits 115kv and above) into or out of the Santan site or substation on the site. However, some of the existing circuits may be bundled in the future as required.

23. Applicant will replace all Town of Gilbert existing street sweepers with certified PM10 efficient equipment. A PM10 efficient street sweeper is a street sweeper that has been certified by the South Coast Air Quality Management District (California) to comply with the District's performance standards under its Rule 1186 (which is the standard referenced by the Maricopa Association of Governments).

Status ~ SRP has completed the activity required by this condition.

24. Applicant shall work in a cooperative effort with the Office of Environmental Health of the Arizona Department of Health Services to enhance its environmental efforts.

Status ~ A representative of the Arizona Department of Health Services serves on the Santan Neighborhood Committee. The representative's role is to provide technical assistance and expertise to the citizens committee mentioned in condition 19. Such assistance will cover air, noise, and water quality issues.

25. Applicant shall operate, improve and maintain the plant consistent with applicable environmental regulations and requirements of the Environmental Protection Agency, the Arizona Department of Environmental Quality, Maricopa County and the Town of Gilbert.

Status ~ SRP has an environmental management system (EMS) designed to assure compliance with applicable laws and regulations. The Santan Generating Station is integrated in the SRP EMS. Procedures and Environmental Information Management Systems (EIMS) have been modified to incorporate the new requirements associated with the Santan Expansion Project. Plant personnel responsible for meeting environmental compliance have received training on the new requirements and a formal audit will be conducted within one year after Unit 6 startup.

- 1
2
3
4
26. Applicant shall actively work in good faith with Maricopa County in its efforts to establish appropriate standards relative to the use of distillate fuels in Valley generating facilities.

Status ~ SRP has completed the activity required by this condition.

- 5
6
7
8
27. Applicant shall install continuous emission monitoring equipment on the new units and will make available on its website emissions data from both the existing and new units according to EPA standards. Applicant shall provide information to the public on its website in order to assist the public in interpreting the data, and provide viable information in a reasonable time frame.

9
10

Status ~ SRP has installed continuous emission monitoring equipment on the new units. SRP is currently developing the presentation materials and graphics for the emissions data that will be posted on the Santan website.

- 11
12
28. Applicant will comply with the provisions of the Intergovernmental Agreement dated April 25, 2000 between Applicant and the Town of Gilbert, as modified pursuant to this Certificate.

13
14

Status ~ There are eight SRP obligations noted on the IGA. The status of each obligation is as follows:

15

Improvements to Warner Road and Val Vista Road ~ These improvements are complete.

16
17
18
19

Screening of the Plant ~ All of the screening, with the exception of the northeast area and the southeast corner of the project site, is complete. The two areas of the site remaining to be landscaped must be left available for construction access and installation of underground utilities associated with the power plant construction. Screening in these areas will be completed upon completion of Unit 6 construction.

20
21
22

Trail Extension ~ In the "Trails Area" to the east of the power plant, work is complete. The "Trails Area" includes a horse trail, unpaved equestrian resting areas complete with benches for the horse's rider, and a shared use path, surrounded by decorative masonry walls, path lighting, and new plantings of trees and shrubs.

23

Rerouting of Canal at Ray Road ~ This canal modification is complete.

24

Training Tower Removal ~ This training tower was removed in the fall of 2000.

25

Revegetation Along New RS 18 Line ~ SRP has restored any vegetation damaged or destroyed along the RS 18 line as a result of the construction of the line.

1 **Dust Control Along Canals ~ SRP is in compliance with applicable PM-**
2 **10 standards along SRP canal banks.**

3 **Offsite Tree Planting ~ The offsite landscaping programs are complete.**
4 **See Condition 7 status for more details.**

- 5 29. During the proceeding neighbors to the plant site raise significant concern
6 about the impact of the plant expansion on residential property values. In
7 performing each of the conditions in this order Applicant, in conjunction
8 where applicable, with the Town of Gilbert and the plant site neighbors, shall
9 consider and attempt to maximize the positive effect of its activities on the
10 values of the homes in the surrounding neighborhoods.

11 **Status ~ SRP has invested \$20 million in community and site**
12 **improvements, including extensive landscaping to ensure compatibility**
13 **with the community. Conditions 7, 9 and 28 address SRP's**
14 **comprehensive landscaping plan that was developed by SRP's**
15 **landscape architect and approved by the CWG. Almost all of the**
16 **landscaping at the project site has been completed and funding for off-**
17 **site landscaping has been completed as well. The landscaping**
18 **provides attractive features and was designed to maximize the positive**
19 **effect on the surrounding neighborhoods.**

- 20 30. Applicant shall construct the auxiliary boiler stack at such height as may be
21 determined by air modeling requirements. Applicant shall situate the
22 auxiliary boiler stack so that it is not visible from off the plant site.

23 **Status ~ This condition is no longer applicable as SRP has decided not**
24 **to use an auxiliary boiler so no auxiliary boiler stack will be necessary.**

- 25 31. Applicant will construct the heat recovery steam generators ("HRSG")
approximately 15 feet below grade and will construct the HRSGs so that the
overall height of the HRSG module from the natural grade is no more than
80 feet.

Status ~ SRP has completed the activity required by this condition.

- Applicant will complete the installation of the dry low NOX burners on the
existing units prior to the construction of the new units.

Status ~ SRP has completed the activity required by this condition.

- Applicant shall not transfer this Certificate to any other entity for a period of
20 years from the date of approval by the Corporation Commission, other
than as part of a financing transaction where operational responsibilities will
remain with Applicant, and where Applicant will continue to operate the plant
in accordance with this Certificate.

Status ~ SRP has no plans to transfer this Certificate to another entity.

34. Applicant shall post on its website, when its air quality permit application is submitted to the Maricopa County Environmental Services Department. Also, Applicant shall post on its website any official notice that may be required to be posted in newspapers for its air quality permit application.

Status ~ SRP has completed the activity required by this condition.

GRANTED this ____ day of February, 2001

ARIZONA POWER PLANT AND TRANSMISSION
LINE SITING COMMITTEE

By Paul A. Bullis
Its Chairman

BEFORE THE ARIZONA CORPORATION COMMISSION

In the matter of the Application of Salt
River Project Agricultural Improvement and
Power District in conformance with the
requirements of Arizona Revised Statutes
Sections 40-360-03 and 40-360.06, for a
Certificate of Environmental Compatibility
authorizing the Expansion of its Santan
Generating Station, located at the intersection
of Warner Road and Val Vista Drive,
in Gilbert, Arizona, by adding 825 megawatts
of new capacity in the form of three combined
cycle natural gas units, and associated
intraplant transmission lines.

Case No. 105

Docket No. L-00000B-00-0105

Decision No. _____

1 The Arizona Corporation Commission (Commission) has conducted its review, as
2 prescribed by A.R.S. §40-360.07. Pursuant to A.R.S. §40-360.07(B), the Commission,
3 in compliance with A.R.S. §40-360.06, and in balancing the broad public interest, the
4 need for an adequate, economical and reliable supply of electric power with the desire
5 to minimize the effect thereof on the environment and ecology of the state;

6 The Commission finds and concludes that the Certificate of Environmental
7 Compatibility should be granted upon the additional and modified conditions stated
8 herein.

- 9 35. The Santan Expansion Project shall be required to meet the Lowest
10 Achievable Emission rate (LAER) for Carbon Monoxide (CO), Nitrogen
11 Oxides (Nox), Volatile Organic Carbons (VOCs), and particulate Matter
12 less than ten micron in aerodynamic diameter (PM10). The Santan
Expansion Project shall be required to submit an air quality permit
application requesting this LAER to the Maricopa County Environmental
Services Department.

13 **Status ~ On February 10, 2003 the Maricopa County Environmental**
14 **Services Department issued an air quality permit for the Santan**
15 **Expansion Project. The air permit mandates the following Lowest**
Achievable Emission Rates (LAER):

- 16 • **CO – 2 ppm w/o duct firing; 2 ppm w/ duct firing**
17 • **NOx – 2 ppm w/o duct firing; 2 ppm w/ duct firing**
• **VOC – 1 ppm w/o duct firing; 2 ppm w/ duct firing**
• **PM10 - .01 lb/mmBtu**

- 18 36. Due to the plant's location in a non-attainment area, the Applicant shall not
19 use diesel fuel in the operation of any combustion turbine or heat recovery
steam generator located at the plant.

20 **Status ~ Since the issuance of the ACC order for the SEP Certificate of**
21 **Environmental Compatibility, SRP has not burned diesel fuel in the**
22 **existing Santan generating units. The new generating units associated**
with the SEP will not have diesel fuel-burning capability.

23 **On March 3, 2004, the Maricopa County Environmental Services**
24 **Department issued a revision to SRP's air quality permit to allow for the**
25 **use of ultra low sulfur fuel as an emergency fuel in the existing units.**
The conditions in the air quality permit are identical to the requirements
for emergency fuels contained in Maricopa County's new air quality rule
for existing power plants (Rule 322), with the exception of the
requirement that SRP use ultra low sulfur fuel rather than low sulfur

1 ***fuel. In addition, the revised air permit includes a separate condition***
2 ***stating that SRP cannot use the fuel unless previously authorized by***
3 ***the ACC. SRP will continue to fully comply with Condition 36 of the***
4 ***CEC that prohibits the use of diesel fuel in any Santan unit unless***
5 ***amended by the ACC on an emergency basis at some future time.***

- 6
- 7 37. In obtaining emissions reductions related to Carbon Monoxide (CO)
- 8 emissions, Applicant shall, where technologically feasible, obtain those
- 9 emission reductions onsite to the Santan Expansion Project.

10 ***Status ~ SRP has completed the activity required by this condition.***

- 11 38. Beginning upon commercial operation of the new units, Applicant shall
- 12 conduct a review of the Santan Generating facility operations and
- 13 equipment every five years and shall, within 120 days of completing such
- 14 review, file with the Commission and all parties in this docket, a report
- 15 listing all improvements which would reduce plant emissions and the costs
- 16 associated with each potential improvement. Commission Staff shall
- 17 review the report and issue its findings on the report, which will include an
- 18 economic feasibility study, to the Commission within 60 days of receipt.
- 19 Applicant shall install said improvements within 24 months of filing the
- 20 review with the Commission, absent an order from the Commission
- 21 directing otherwise.

22 ***Status ~ SRP will comply with the requirement for a review of***

23 ***technology that will reduce plant emissions every 5 years after***

24 ***commercial operation of the new units and will report such findings to***

25 ***the Commission and all parties in this docket.***

39. Applicant shall provide \$20,000 to the Pipeline Safety Revolving Fund on
- an annual basis, thus improving the overall safety of pipelines throughout
- the State of Arizona.

Status ~ In March 2005, a check for \$20,000 was sent to the Arizona

Corporation Commission, for deposit in the Pipeline Safety Revolving

Fund. This check satisfies compliance with this condition for the year

ending April 30, 2005. Subsequent checks will be distributed in the

March/April timeframe each year.

40. Where feasible, Applicant shall strive to incorporate local and in-state
- contractors in the construction of the three new generation units for the
- expansion project.

Status ~ Every effort has been made to incorporate local contractors for

this project. Over one hundred-eleven local or in-state contractors have

been engaged on jobs completed or in progress.

1 41. Applicant shall construct a 10-foot high block wall surrounding the
2 perimeter of the Santan plant, and appropriately landscape the area
3 consistent with the surrounding neighborhood, unless otherwise agreed to
4 by the Salt River Project and the Citizens Working Group.

5 Status ~ SRP has completed the activity required by this condition.

6 **APPROVED AS AMENDED BY ORDER OF THE ARIZONA CORPORATION**
7 **COMMISSION**

8 _____
9 Chairman

Commissioner

Commissioner

10 In Witness hereof, I, Brian C. McNeil,
11 Executive Secretary of the Arizona
12 Corporation Commission, set my hand
13 and cause the official seal of this
14 Commission to be affixed this ____ day
15 of _____, 2001.

16 By: _____
17 Brian C. McNeil
18 Executive Secretary

19 Dissent: _____
20
21
22
23
24
25

APPENDIX A

Energy News



September 2005 No. 15

Useful information for the Gilbert community



SANTAN FACTS

- ◆ SRP's expansion of the Santan Generating Station brings 825 megawatts of new electricity to the Southeast Valley, where energy demand continues to increase in conjunction with growth in usage by customers and in the number of residential and commercial accounts. The power facility is located near the southeast corner of Val Vista and Warner roads.
- ◆ By locating new generating sources close to areas of demand, SRP can continue to provide the low-cost, reliable electricity its customers expect and deserve. Local generation proved critical to keeping the lights on and air conditioners running during a past summer power transmission challenge.
- ◆ The new units are state-of-the-art technology and use only natural gas for fuel. Designed to meet the electricity demands of SRP's retail customers, the new units are available to operate 24 hours a day, seven days a week.
- ◆ SRP made a substantial investment in community and site improvements, including painting visible structures, creating a recreational trail, and extensive landscaping to ensure the project's compatibility with surrounding neighborhoods.

Editor's note: This is the fifteenth issue of Energy News. Visit www.santanfacts.org or call us at (602) 236-2679 for previous Energy News issues or for more information about the project.

© 2005 SRP All rights reserved.
05 2287-01 09/05

Printed on recycled paper.

START-UP BRINGS SANTAN TO FULL POTENTIAL

In October, SRP will begin the major start-up activities for the final new generating unit at the Santan Generating Station. Once those activities are completed, the newest unit will start commercial operation, most likely in spring 2006.

To achieve this "milestone," a number of key activities will be occurring in the prior months. The start-up process entails testing each piece of equipment and coordinating the different components and systems to operate together.

Combined-cycle technology has been used for the plant expansion. As such, the new unit features one combustion turbine, one heat recovery steam generator and one steam turbine. This technology allows SRP to achieve the maximum amount of energy production from the amount of clean, natural gas fuel consumed.

Members of the community may hear intermittent noises at sound levels greater than normal and see some steam releases during the start-up process. This is not a reason for concern and these events will not occur at the higher levels once the unit begins normal operation.

In mid-October, SRP will begin the "first fire" process of the combustion turbine. During this time, there will be occasions when the new unit is running and emissions may be visible from the 150-foot stacks. The number and duration of these events cannot be predetermined and SRP will work to keep them to the absolute minimum.

These activities will occur 24 hours a day on occasion, and the schedule calls for completion of the first phase of start-up by the end of November. After this initial phase, the unit will undergo a period of reassembly, lasting approximately six weeks. The unit will then re-start to complete the commissioning of the steam turbine systems, leading to a "first-run" process in which the operators will be working to ensure the various components are operating as intended and to prepare for the generation of electricity.

Have questions about the Santan Expansion Project and its start-up activities? For more information contact SRP's Public Involvement Department at (602) 236-2872, or log on to the Santan Expansion Project Web site www.santanfacts.org to see a schedule of start-up activities.

Santan Expansion Project Milestones

- ◆ Expansion project construction began in spring 2003
- ◆ Phase 1 of on-site landscaping program finished February 2004
- ◆ 37-mile natural gas pipeline to serve new units completed April 2004
- ◆ First new generators, 2-on-1 units, began commercial operation in April 2005
- ◆ Start-up activities on final generator, a 1-on-1 unit, begins October 2005

WHAT'S THE FUTURE HOLD FOR SANTAN?

As the last new unit undergoes final preparations for commercial operation, Santan Expansion Project Manager Bill Rihs outlined what lies ahead for the plant.

"Once Unit 6 is operational, SRP will focus on addressing the final aspects of the landscaping around the plant site," said Rihs. "The construction entrance on the northeast corner of the property will be minimized and new walls and plantings will help it blend with the extensive work done so far."

Inside the plant site crews will conduct the final grading and then pave the appropriate areas, which will aid in dust control.

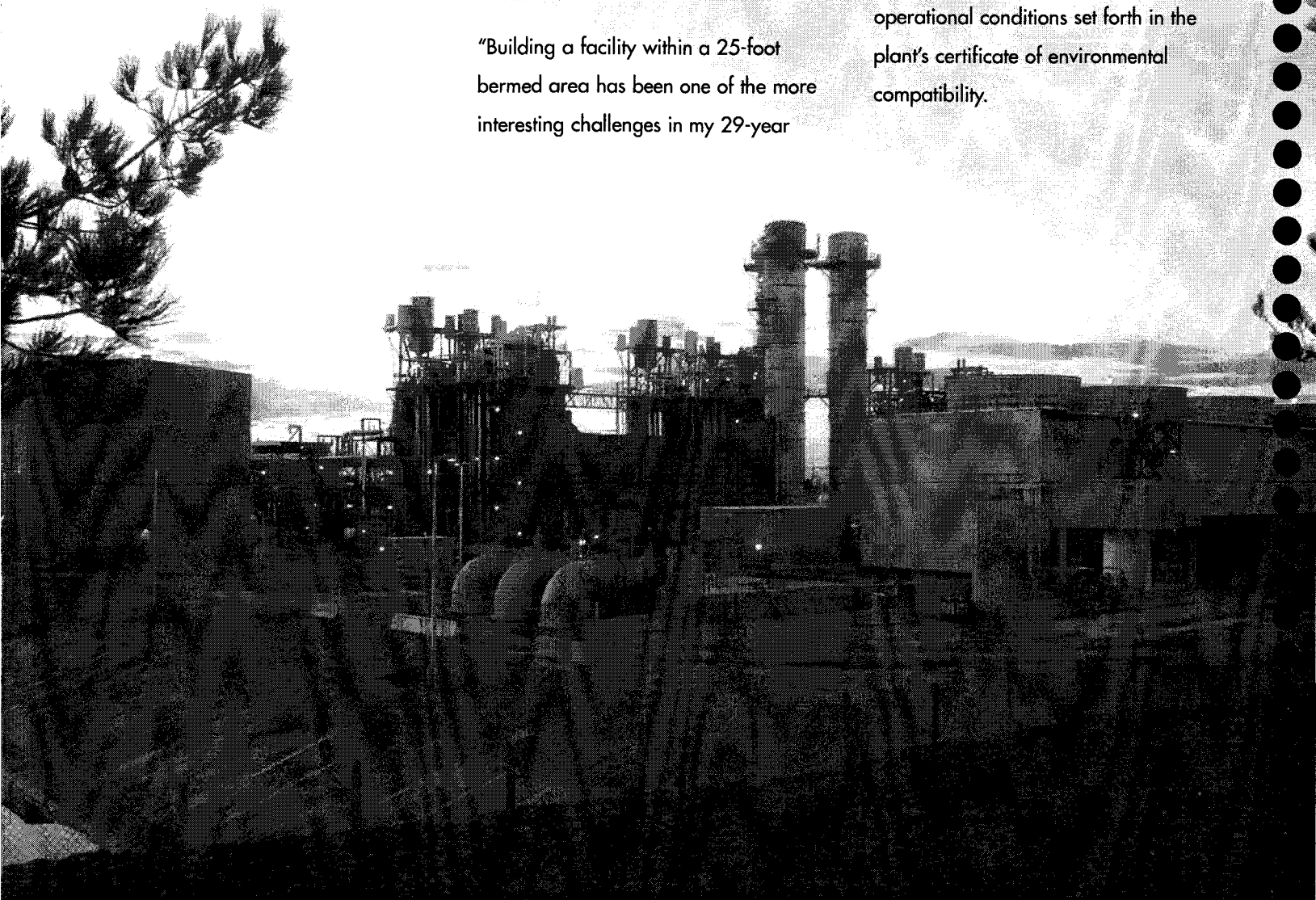
"Our plans include completing the landscaping along the southern edge of the property," Rihs said. "Again, as we complete construction and no longer need to use a portion for parking, we will be returning the site to SRP's operations folks."

Plans also include redesigning the main entrance to the plant site off of Val Vista Road.

"Building a facility within a 25-foot bermed area has been one of the more interesting challenges in my 29-year

career at SRP," said Rihs. "It has allowed me to expand my engineering horizons and has required a great deal of personal commitment. When we turn over the last unit to the Santan Generation Station team, it will be similar to sending one of my children off to college."

Santan Generating Station is managed by Barry Drost, who, with his team, is responsible for the operation and maintenance of the plant. They will ensure that the plant is available to provide a reliable, low-cost supply of electricity for SRP customers, and that it adheres to the operational conditions set forth in the plant's certificate of environmental compatibility.



GOOD BYE ENERGY NEWS

Stay Current With Santan Internet Site

This is the last issue of Energy News, the Santan Expansion Project (SEP) newsletter. As the project enters the final stages of completion, SRP brings to a close this publication aimed at keeping members of the Gilbert community informed.

The SEP Web site www.santanfacts.org will continue to provide interested individuals current information regarding the project. (See Santan Neighborhood Committee article at right.) To stay up-to-date on SEP activities, just visit the Web site and click on "Stay Informed". And while you're at the site, take a few minutes to look around to discover the wealth of information. If you have questions, contact SRP at webmaster@santanfacts.org.

SANTAN NEIGHBORHOOD COMMITTEE MONITORS PLANT'S COMPLIANCE

The Santan Neighborhood Committee (SNC) is a citizens group coordinated and developed by SRP in conjunction with the Arizona Corporation Commission (ACC) and other regulatory agencies.

Monitoring the air emission and noise compliance as well as the water quality reporting related to the operation of the Santan Generating Station is the primary purpose of the SNC.

One of the conditions contained in the Santan Expansion Project's certificate of environmental compatibility issued by the ACC set forth the composition of the 10-member SNC. The condition requires one representative be selected by each of the following:

- ◆ Arizona Department of Health Services
- ◆ Maricopa County Air Quality Division
- ◆ Gilbert Town Manager
- ◆ Home Owners Association Boards of Cottonwood Crossings, Finley Farms South, Rancho Cimmaron, Silverstone Ranch and Western Skies.

SRP also was required to select a Gilbert resident who is a registered professional engineer and a representative from the unincorporated area south of the Santan site.

The SNC began meeting in September 2004 in preparation of the April 2005 commercial operation of the first units of the expansion project. Members worked to develop by-laws and establish the committee's structure. Early meetings were training sessions to better understand the operation of the plant and of the environmental data that it is required to monitor.

Gilbert resident Edward Mooney was elected as the SNC chair. Individuals with questions about the SNC and its mission of monitoring environmental aspects of the plant's operation can contact Mooney via e-mail at ejmooney@msn.com.

To help communicate the environmental information to the community at-large, in September 2005 SRP began posting the noise study and air emission data on the Santan Web site, www.santanfacts.org.



GILBERT TAKES OWNERSHIP OF EQUESTRIAN/BIKE TRAIL

On Sept. 13, SRP officially turned over ownership of a new equestrian/bike trail to the Town of Gilbert. Located along the east side of the Santan Generating Station, the equestrian/bike trail links neighborhoods north of the facility to the recreational opportunities of the Town of Gilbert's Crossroads Park and SRP's canal system. A 10-foot high screening wall and footbridge over the Eastern Canal were constructed in conjunction with this project.

Landscaping, unpaved equestrian resting areas, benches and lighting create a pleasant, safe route for recreational enthusiasts. The trail is part of SRP's more than \$20 million in community and site improvements completed as part of the Santan Expansion Project.



To stay up-to-date on SEP activities or sign up for e-mail updates,
visit www.santanfacts.org and click of "Stay Informed."
If you have questions, contact SRP at webmaster@santanfacts.org.

PRSR STD
US POSTAGE
PAID
PHOENIX AZ
PERMIT NO 395

PO Box 52025
Phoenix, AZ 85072-2025



APPENDIX B



September 13, 2005

Ashland Ranch HOA
Premier Property Management
PO Box 12510
Chandler, AZ 85248

Dear Association/Manager:

Attached, please find Check #239094 in the amount of \$830.00

This represents the annual assistance payment from Salt River Project for the Santan Power Plant buffer improvements maintenance per Condition #7 of the SEP Certificate of Environmental Compatibility for the facility.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

A handwritten signature in black ink, appearing to read "G. A. Pettit".

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025
MS STS300, Phoenix, AZ 85072-2025



September 13, 2005

Cottonwoods Crossing HOA
760 S Stapley Drive, Suite 3
Mesa, AZ 85204

Dear Association/Manager:

Attached, please find Check #239095 in the amount of
\$7,438.00

This represents the annual assistance payment from Salt
River Project for the Santan Power Plant buffer
improvements maintenance per Condition #7 of the SEP
Certificate of Environmental Compatibility for the
facility.

This distribution is based upon information provided by
Salt River Project. If you have any questions regarding
the calculation, please contact Barry Drost, Plant Manager
at 602-236-4380.

Sincerely,

A handwritten signature in black ink, appearing to read "G. A. Pettit".

George A. Pettit

Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025
MS STS300, Phoenix, AZ 85072-2025



September 13, 2005

Finley Farms North HOA
4645 E Cotton Gin Loop
Phoenix, AZ 85040

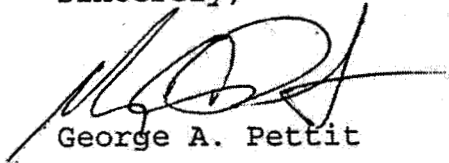
Dear Association/Manager:

Attached, please find Check #239096 in the amount of
\$2,029.00

This represents the annual assistance payment from Salt
River Project for the Santan Power Plant buffer
improvements maintenance per Condition #7 of the SEP
Certificate of Environmental Compatibility for the
facility.

This distribution is based upon information provided by
Salt River Project. If you have any questions regarding
the calculation, please contact Barry Drost, Plant Manager
at 602-236-4380.

Sincerely,



George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025
MS STS300, Phoenix, AZ 85072-2025



September 13, 2005

Finley Farms South HOA
PO Box 2050
Chandler, AZ 85244-2050

Dear Association/Manager:

Attached, please find Check #239097 in the amount of \$8,046.00.

This represents the annual assistance payment from Salt River Project for the Santan Power Plant buffer improvements maintenance per Condition #7 of the SEP Certificate of Environmental Compatibility for the facility.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

A handwritten signature in dark ink, appearing to read "G. A. Pettit".

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025
MS STS300, Phoenix, AZ 85072-2025



September 13, 2005

Gilbert Ranch HOA
PO Box 11330
Tempe, AZ 85284

Dear Association/Manager:

Attached, please find Check #239098 in the amount of \$400.00.

This represents the annual assistance payment from Salt River Project for the Santan Power Plant buffer improvements maintenance per Condition #7 of the SEP Certificate of Environmental Compatibility for the facility.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

A handwritten signature in black ink, appearing to read "G. A. Pettit".

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025
MS STS300, Phoenix, AZ 85072-2025



September 13, 2005

Greenfield Lakes HOA
1843 E Southern Ave
Tempe, AZ 85282

Dear Association/Manager:

Attached, please find Check #239099 in the amount of \$7,907.00.

This represents the annual assistance payment from Salt River Project for the Santan Power Plant buffer improvements maintenance per Condition #7 of the SEP Certificate of Environmental Compatibility for the facility.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

A handwritten signature in black ink, appearing to read "G. A. Pettit". The signature is stylized with a large, sweeping initial "G" and a long, horizontal stroke extending to the right.

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025
MS STS300, Phoenix, AZ 85072-2025



September 13, 2005

Gateway Ranch HOA
Associated Asset Management
2400 E Arizona Biltmore Circle
Phoenix, AZ 85016

Dear Association/Manager:

Attached, please find Check #239100 in the amount of \$100.00.

This represents the annual assistance payment from Salt River Project for the Santan Power Plant buffer improvements maintenance per Condition #7 of the SEP Certificate of Environmental Compatibility for the facility.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025
MS STS300, Phoenix, AZ 85072-2025



September 13, 2005

Lindsay Ranch HOA
1038 E Windsor Drive
Gilbert, AZ 85296

Dear Association/Manager:

Attached, please find Check #239101 in the amount of \$1,250.00.

This represents the annual assistance payment from Salt River Project for the Santan Power Plant buffer improvements maintenance per Condition #7 of the SEP Certificate of Environmental Compatibility for the facility.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

A handwritten signature in dark ink, appearing to read "G. A. Pettit", with a stylized flourish extending from the end.

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025
MS STS300, Phoenix, AZ 85072-2025



September 13, 2005

Mirador Estates HOA
4645 E Cotton Gin Loop
Phoenix, AZ 85040

Dear Association/Manager:

Attached, please find Check #239102 in the amount of \$600.00.

This represents the annual assistance payment from Salt River Project for the Santan Power Plant buffer improvements maintenance per Condition #7 of the SEP Certificate of Environmental Compatibility for the facility.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

A handwritten signature in black ink, appearing to read "G. A. Pettit". The signature is fluid and cursive, with a large, sweeping initial "G".

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025
MS STS300, Phoenix, AZ 85072-2025



September 13, 2005

Neely Commons HOA
Rossmar & Graham
9362 E Raintree Drive
Scottsdale, AZ 85260

Dear Association/Manager:

Attached, please find Check #239103 in the amount of \$1,836.00.

This represents the annual assistance payment from Salt River Project for the Santan Power Plant buffer improvements maintenance per Condition #7 of the SEP Certificate of Environmental Compatibility for the facility.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

A handwritten signature in dark ink, appearing to read "G. A. Pettit", written over a horizontal line.

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025
MS STS300, Phoenix, AZ 85072-2025



September 13, 2005

Rancho Cimarron HOA
Lepin & Renehan
PO Box 11330
Tempe, AZ 85284

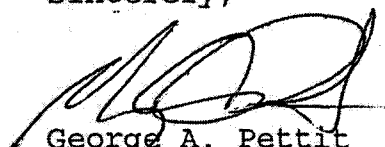
Dear Association/Manager:

Attached, please find Check #239104 in the amount of \$3,813.00.

This represents the annual assistance payment from Salt River Project for the Santan Power Plant buffer improvements maintenance per Condition #7 of the SEP Certificate of Environmental Compatibility for the facility.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,



George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025
MS STS300, Phoenix, AZ 85072-2025



September 13, 2005

Rancho Corona HOA
1834 E Baseline Road, Suite 102
Tempe, AZ 85283

Dear Association/Manager:

Attached, please find Check #239105 in the amount of \$306.00.

This represents the annual assistance payment from Salt River Project for the Santan Power Plant buffer improvements maintenance per Condition #7 of the SEP Certificate of Environmental Compatibility for the facility.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

A handwritten signature in black ink, appearing to read "G. A. Pettit".

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025
MS STS300, Phoenix, AZ 85072-2025



September 13, 2005

Silverstone Ranch HOA
Lepin & Renehan
PO Box 11330
Tempe, AZ 85284

Dear Association/Manager:

Attached, please find Check #239106 in the amount of \$1,381.00.

This represents the annual assistance payment from Salt River Project for the Santan Power Plant buffer improvements maintenance per Condition #7 of the SEP Certificate of Environmental Compatibility for the facility.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

George A. Pettit
Manager

A handwritten signature in dark ink, appearing to read "G. A. Pettit", is written over the printed name and title.

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025
MS STS300, Phoenix, AZ 85072-2025



September 13, 2005

Sonoran Vista HOA
3235 N Washington St.
Chandler, AZ 85225

Dear Association/Manager:

Attached, please find Check #239107 in the amount of \$822.00.

This represents the annual assistance payment from Salt River Project for the Santan Power Plant buffer improvements maintenance per Condition #7 of the SEP Certificate of Environmental Compatibility for the facility.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025
MS STS300, Phoenix, AZ 85072-2025



September 13, 2005

Val Vista Place HOA
625 N Gilbert Road, Suite 101
Gilbert, AZ 85234

Dear Association/Manager:

Attached, please find Check #239109 in the amount of \$558.00.

This represents the annual assistance payment from Salt River Project for the Santan Power Plant buffer improvements maintenance per Condition #7 of the SEP Certificate of Environmental Compatibility for the facility.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

A handwritten signature in dark ink, appearing to read "G. A. Pettit".

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025
MS STS300, Phoenix, AZ 85072-2025



September 13, 2005

Springtree at S Gilbert HOA
2400 E Biltmore Circle
Phoenix, AZ 85016

Dear Association/Manager:

Attached, please find Check #239108 in the amount of \$94.00.

This represents the annual assistance payment from Salt River Project for the Santan Power Plant buffer improvements maintenance per Condition #7 of the SEP Certificate of Environmental Compatibility for the facility.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,

A handwritten signature in black ink, appearing to read "G. A. Pettit", written over a horizontal line.

George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025
MS STS300, Phoenix, AZ 85072-2025



September 13, 2005

Western Skies Estates HOA
PO Box 2050
Chandler, AZ 85244

Dear Association/Manager:

Attached, please find Check #239110 in the amount of \$10,780.00.

This represents the annual assistance payment from Salt River Project for the Santan Power Plant buffer improvements maintenance per Condition #7 of the SEP Certificate of Environmental Compatibility for the facility.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,



George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025
MS STS300, Phoenix, AZ 85072-2025



September 13, 2005

Western Skies Unit 4 HOA
PO Box 27476
Tempe, AZ 85285

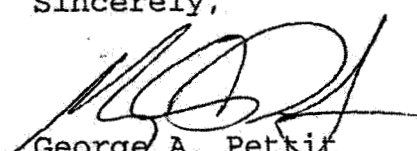
Dear Association/Manager:

Attached, please find Check #239111 in the amount of \$1,694.00.

This represents the annual assistance payment from Salt River Project for the Santan Power Plant buffer improvements maintenance per Condition #7 of the SEP Certificate of Environmental Compatibility for the facility.

This distribution is based upon information provided by Salt River Project. If you have any questions regarding the calculation, please contact Barry Drost, Plant Manager at 602-236-4380.

Sincerely,



George A. Pettit
Manager

Cc: Barry Drost, Manager, SRP Santan, PO Box 52025
MS STS300, Phoenix, AZ 85072-2025